

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1549 – SB 1835

March 8, 2014

SUMMARY OF ORIGINAL BILL: Prohibits the federal government from imposing educational standards on the state. Any adoption of educational standards by the State Board of Education (SBE) shall be done freely by the SBE. States that the SBE may change, adjust, or recede from a standard at any time with certain restrictions. Requires any proposed change or addition to an education standard to be posted for public view on the SBE website 60 days before the SBE meeting where the proposed change will be discussed. Requires proposed changes to be voted upon at public meetings where there is a quorum. Prohibits educational standards from being adopted by the SBE after July 1, 2014, until the Education Committees of the General Assembly have conducted hearings. Requires data collected from the use of or testing under the educational standards adopted by the SBE to be used solely to track the academic progress of students. Prohibits certain personally identifiable information from being collected, tracked, housed with, reported to, or shared with the federal government. Prohibits student data from being collected in order to develop commercial products or services or for political use.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013897): Adds language to the original bill enacting the “Fair and Clear Teacher Evaluation System Act” that requires the teacher evaluation system to evaluate teachers on their own work and the success of their students. Prohibits a teacher’s evaluation from being based on test scores or other data from students in subjects, classes, or grades in which the teacher did not teach or have input. Requires the use of a pre- and post-test system that is developed by each local education agency (LEA). Prohibits the use of student pre-test scores from being included in the teacher’s evaluation. Requires the observation portion of the evaluation to be given increased weight if pre- and post-test data is not available. Prohibits the use of school-wide data if classroom data is available for use. Requires the use of achievement data derived from pre- and post-tests for 50 percent of the evaluation criteria composed of student achievement data. Authorizes LEAs to reduce the percentage of student growth data used in determining a teacher’s overall evaluation score, if the teacher has a performance effectiveness level of “above expectations” or “significantly above expectations” on the observation portion of the evaluation, but the student growth portion of the evaluation shows a performance effectiveness level of “below expectations” or “significantly below expectations”.

HB 1549 – SB 1835

The teacher evaluation system shall minimize paperwork, reporting, and testing to increase instructional time.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$85,900

Increase Local Expenditures - \$248,597,000*

Other Fiscal Impact – Based on the information provided by the Department of Education, the federal government may require the state to repay a portion of the Race to the Top grant funding that has already been drawn down; withhold future grant funding; or both. Any such impacts cannot be reasonably quantified and is dependent upon the response and action taken by the federal government.

Assumptions for the bill as amended:

- The Department of Education will hire one new employee for the state evaluation team to support LEAs in the development, modification, and reporting of new pre- and post-tests. The recurring increase in state expenditures is estimated to be \$85,876 (\$70,000 salary + \$15,876 benefits).
- Students in all subjects will be required to take pre- and post-tests.
- There are an estimated 930,000 students in grades kindergarten through 12th grade.
- LEAs will purchase pre- and post-tests.
- In subjects and grades that are currently not a part of the state's standardized test system, each student will take a minimum of two tests in three subjects; for a total of six tests per student.
- Each test will cost \$7.50 per student; for a total of \$45 (6 tests x \$7.50) per student.
- The increase in local expenditures for subjects and grades which are not a part of the state's assessment system is estimated to be \$41,850,000 (\$45 x 930,000).
- Based on information from the Department of Education, a total of 13,783,131 estimated combined pre- and post-tests will be given in subjects and grades that are currently a part of the state assessment system at a cost of \$15 (\$7.50 x 2 tests).
- The increase in local expenditures to purchase pre- and post-tests for subjects and grades that are currently a part of the state assessment system is estimated to be \$206,746,965 (\$15 per combined test x 13,783,131 combined tests).
- The total recurring increase in local expenditures is estimated to be \$248,596,965 (\$41,850,000 + \$206,746,965).
- The Race to the Top grant funding and the state's federal No Child Left Behind (NCLB) waiver were received, partially on the basis of Tennessee's new teacher evaluation model. The full Race to the Top grant amount is \$501,000,000. Based on information

provided by the Department of Education, the federal government may require the state to repay a portion of the grant funding that has been drawn down; withhold future grant funding; or both.

- The number of changes to educational standards by the SBE will not be increased.
- Any change in state education standards by the SBE will be done in the normal course of board meetings.
- Hearings conducted by the General Assembly on proposed changes will be done in the normal course of legislative hearings.
- Any increase in local government expenditures for training or materials as a result of changing educational standards is estimated to be not significant.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/msg